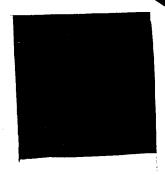
5. THE HUNGARIAN SITUATION (information as of 1700, 6 November)

Comment on:



Although armed patriots continue to resist Soviet attack in Budapest and in at least two areas in the provinces, the Hungarian revolution is for all practical purposes at an end. The American legation in Budapest has reported that Hungarian security police were back in uniforms and, under the protection of Soviet troops, were already searching houses and arresting people.

Radio Pecs announced at 0530 on 6 November that all those still bearing arms could return home unharmed if their weapons were surrendered by 0800. Although this was only noted on a regional radio network, presumably such an amnesty was in effect throughout the country. It represents an extension of the amnesty announced on 5 November.

The Budapest legation reports that the Soviet forces in their efforts to storm the Kilian barracks-one of the last rebel strongholds--fired on a children's clinic, ignoring the protests of several Western legations. The legation also reported that the Soviet troops had fired on the Yugoslav legation and "killed one younger diplomat, while wounding several others."

The Kadar regime is faced with a serious problem in restoring the nation's economy. Hourly appeals over most of the nation's radio stations reveal the size of the job now confronting the regime: foodstuffs, medicines and other staples are in short supply, transportation is at a

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virtual standstill, and most industrial plants, if in operation at all, are working with skeleton labor forces. On 5 November, Moscow announced that the Soviet government would send free food, building supplies and medicines immediately, as well as raw materials and fuel in advance of the regularly scheduled time of shipment. This was in apparent response to a plea for aid by Kadar to all Communist countries.

Western relief supplies have been held up at the Austrian-Hungarian border since the renewed Soviet offensive of 4 November.

Kadar's regime has continued to promise a national Communist program, dedicated to Hungarian independence within the socialist camp and an internal policy characterized by moderation and economic reform.

6. WESTERN EUROPEAN REACTION TO HUNGARIAN CRISIS

Comment on:

The Soviet Union's repression of the Hungarian rebellion has aroused greater concern in Western Europe than the situation in the Middle East. Public opinion in several countries tends to regard Western impotence to deal with Soviet brutality in Hungary as a sign of grave flaws in the Western alliance.

In West Germany, the Adenauer government interprets Hungarian developments as a warning of what could happen in East Germany. According to the press, the Bonn government is considering a program to form a corps of troops ready for immediate action. A crash build-up of two or three divisions was reportedly discussed at a cabinet meeting on 5 November. Foreign Minister Brentano told the American embassy immediate action is necessary to restore the Western unity disrupted by the Anglo-French moves in Egypt.

In France, the press echoes the government's criticism of the slowness of the United Nations to condemn the Soviet Union while it was quick to act against the British-French intervention in Egypt.

Portions of the British press friendly to Eden deplore Britain's intervention in Egypt when world attention should be focused on Hungary. Editorials critical of the government's Middle East policy state that the attack on Egypt may have tipped the scales in Hungary.

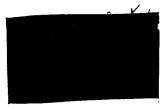
All speakers at the North Atlantic Council session on 5 November urged positive measures against the Soviet Union. The Netherlands proposed UN action to send

observers to Hungary. The Italian representative, however, did not advance Italy's tentative suggestion, made on 4 November to the American embassy in Rome, that all Western nations consider breaking off relations with the entire Soviet bloc.

The Scandinavian press condemns the Soviet Union in the strongest terms, and expresses the opinion that events prove the impossibility of peace and co-existence with the USSR.

Chancellor Raab and the Austrian cabinet do not appear concerned over possible extension to Austria of the hostilities in Hungary, according to the American embassy in Vienna. Vienna evidently expects, however, that Soviet press charges of Austrian interference in Hungary may be followed up with official protests.

7. RUMANIAN REACTION TO HUNGARIAN DEVELOPMENTS



The American legation in Bucharest has received information

that repressive action was taken last week against students in three universities in western Rumania.

One thousand students were arrested in Timisoara University immediately following a student meeting, where the students had been encouraged by invited authorities to speak freely. Many arrests were also reported in Targu Mures University, and the Cluj Hungarian University has been closed.

According to the same source, party first secretary Gheorghiu-Dej was summoned to Moscow on 31 October and had not returned by 4 November. On the morning of 2 November, the extreme nervousness on the part of Rumanian officials was replaced by a show of complete confidence, which indicated to the source that this was the date on which the Soviet decision to move additional forces into Hungary was communicated to Bucharest.

Comment

The Rumanian regime appears to have the situation under control, despite limited unrest and discontent, particularly among the large Hungarian minority in Transylvania. To forestall any outbreak, it has taken a number of precautionary measures during the past two weeks. Identity cards are being checked, factory guards have been doubled, surveillance of diplomats has increased, and diplomatic travel has been sharply and arbitrarily restricted.

The USSR's strong action to quell the Hungarian revolt has served further to intimidate the general population and has reinforced the regime's sense of security. The legation in Bucharest believes that the Rumanian regime will resist popular pressures for the removal of Soviet troops.

